

**REMARKS**

Applicant respectfully requests reconsideration of the instant application in view of the amendments, herein, and the following remarks:

The following claims were previously *pending*: 1, 2, 5-56, 58-77, 79 and 80.

The following claims are *independent*: 1-4, 19-21, 36-39, 54-58, 65-69, and 74-79.

The following claims have previously been *withdrawn*: 3-4, 57 and 78.

Please *add* new claims 81-82 and *amend* claims 1, 2, 39, 58, 65, 69, 74 and 79; although these claims have been amended herein to provide clarification, correct typographical inaccuracies and/or informalities, and/or to better track practical/commercial implementations/practices, Applicants submit that the originally filed claims are patentable and reserves the right to pursue the originally filed claims (as well as any claims dependent therefrom) at a later time and/or in one or more continuation/divisional application(s). Applicants submit that these new claims and/or claim amendments are supported throughout the originally filed specification and that no new matter has been added by way of these amendments. Claims 1, 2, 5-56, 58-77 and 79 -82 are currently pending.

**Claim Rejections - 35 U.S.C. § 101**

The Office Action has rejected claims 21-23, 38-39, 40-53, 56, 58-65, 67, 69-75 and 79-80 under 35 U.S.C. § 101 as allegedly directed to non-statutory subject matter.

Applicants respectfully traverse this rejection. Applicants submit that there is no test for non-statutory subject matter that subjectively precludes the aforementioned claims. MPEP § 2106, Section IV, states “claims directed to nothing more than abstract ideas (such as mathematical algorithms), natural phenomena, and laws of nature are not eligible for patent protection.” MPEP § 2106 also discusses “[w]hile abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be.”

Applicants submit that the elements recited in the claims are, in fact, directed to statutory subject matter and do not fall within the recognized Judicial Exceptions as merely abstract ideas (such as mathematical algorithms), natural phenomena, and/or laws of nature. Though Applicants respectfully traverse the Examiner’s rejection and reserve the right to argue patentability of the claims in their original form at a later time, Applicants have amended independent claims 1-2, 39, 58, 65, 69, 74 and 79 to provide further clarification, correct typographical inaccuracies and/or informalities, and/or to better track practical/commercial implementations/practices. Amended independent claim 2 recites, “a processor-implemented method... comprising: identifying via a processor ... .” As such, Applicants submit independent claim 2, and claims 22-23, which depend directly or indirectly from independent claim 2, are directed to statutory subject matter for at least the reasons discussed above. Applicants further submit that independent claims 39 (and claims 40-53 dependent therefrom), 58 (and claims 59-64 dependent therefrom), 65, 69 (and claims 70-73 dependent therefrom), 74, 78 and 79 (and claim 80 dependent therefrom) are directed to statutory subject matter for at

least similar reasons discussed above with regard to independent claim 2.

Furthermore, Applicants submit that independent claim 38 recites a "computer-readable medium encoded with processing instructions for implementing a method ... the method comprising..." Applicants submit that MPEP § 2106.01 (I) prescribes, "...a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory" (emphasis added). As such, Applicants submit that independent claims 21, 38, 56, 67 and 75 which recite a "computer-readable medium encoded with processing instructions...", are directed to statutory subject matter as prescribed by MPEP 2106.01.

Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejection.

### **Claim Rejections - 35 U.S.C. § 103**

The Office Action rejected claims 1, 5-21, 22-35, 40-53, 54-58, 65-69 and 74-80 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Joao, US Patent No. 6,347,302 (hereinafter "Joao"), in view of Bell et al., US Patent No. 6,574,606 (hereinafter "Bell"), and in further view of Joseph, US Pub No. 2001/0034690 (hereinafter "Joseph"). The Office Action rejected claims 2, 38-39 and 56 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Joao in view of Bell and in further view of Ryan et al., U.S. Patent 6,304,859 (hereinafter "Ryan"). The Office Action rejected claims 36-37 and 54-55 under 35 U.S.C. §

103(a) as allegedly being unpatentable over Joao in view of Ryan. Applicants respectfully traverse the rejections and submit that the Examiner has not established a *prima facie* case of obviousness.

Applicants note that the pending rejections are similar to those in the Office Action dated September 24, 2007, but the Examiner has simply ignored the Applicants' traversal of his rejections submitted on March 24, 2008. Applicants request that the Examiner address the identified deficiencies specifically raised by the Applicants substantively and with particularity. Moreover, MPEP Section 706.02(j) makes this an explicit requirement of an Office Action: "It is important for an examiner to properly communicate the basis for a rejection so that the issues can be identified early and the applicant can be given fair opportunity to reply." Instead, simply incorporating a previous rejection by reference without further clarification, provides no opportunity for the Applicants to address the Examiner's concerns. As such, Applicants reiterate that the Examiner's rejections are ultimately based on mischaracterizations of the cited references, as described below. Should the Examiner disagree, Applicants request the Examiner address each section of this Response specifically and with particularity as required by the MPEP.

MPEP § 706.02(j) prescribes that a rejection under 35 U.S.C. § 103 should set forth:

- (i) the relevant teachings of the prior art relied upon,

- (ii) the differences in the claim over the applied references,
- (iii) the proposed modification of the applied references to arrive at the claimed subject matter, and
- (iv) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Applicants submit that the pending rejection has failed to properly establish at least the first two requirements, the relevant teachings of the prior art relied upon, as well as, the differences in the claims over the applied references.

#### **I. Claims 1 and 5-18**

Independent claim 1 recites, *inter alia*:

A processor-implemented method for encouraging the purchase or re-leasing of an item after an expiration of a lease, comprising:  
     identifying via a processor a lease on an item that corresponds to an electronically stored record, the lease having an approaching expiration date;  
     identifying a customer corresponding to the lease; and  
     offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date.

In the pending rejection, the Examiner acknowledges that, “Joao and Bell do not explicitly disclose offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date.” (p. 4, ¶ 2, Office Action). Therefore, the Examiner asserts, “Joseph suggests offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date...[as

allegedly disclosed in] Joseph, Page 5, P 0045-0047)." (p. 4, ¶ 3, Office Action).

Applicants respectfully disagree and submit that the Joseph does not discuss or render obvious at least the claimed "offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date" as recited in independent claim 1.

In contrast to independent claim 1, Joseph discusses a method for facilitating the transfer of an existing vehicle lease between parties (Joseph, Abstract). Joseph does not discuss offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration. Instead, Joseph's system is directed to allowing a current lessee to transfer the lease to another lessee before the lease expires (See, Joseph, ¶ [0003]). Joseph's system simply facilitates a searchable database of leases available for transfer prior to lease expiration (Joseph, ¶ [0007]).

Applicants submit Joseph's system enables a listing user to obtain liability insurance in ¶ [0043] -[0047] if the existing lease indicates the original lessee (Joseph's listing user) is still liable for the vehicle despite transferring the lease to the subsequent lessee (Joseph's searching user). The liability insurance link 210 simply provides the original lessee with an option to request an application for insurance (Joseph, ¶ [0043]). More specifically, Joseph discusses, "[t]he electronic [request] message 250 may initiate an automated preparation of an insurance application which can be electronically forwarded to the insurance provider for approval." (Joseph, ¶ [0045]). Applicants submit

that Joseph's mere providing the listing user ("a seller") with the option to submit an application for insurance does not discuss or render obvious the claimed "offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date" as recited in independent claim 1.

Joseph's insurance application is: (a) not a paid insurance policy; (b) not offered to a customer; (c) not offered in exchange for purchasing or re-leasing the item, and (d) not offered to the lessee to purchase or re-lease the item after expiration of the lease. Accordingly, Applicants submit that independent claim 1, and claims 5-21 dependent therefrom, are not rendered obvious in light of Joao, Bell, or Joseph, taken alone or in combination.

## **II. Claims 2 and 22-35**

Independent claim 2 recites, *inter alia*:

A processor-implemented method for encouraging the purchase or re-leasing of an item after an expiration of a lease, comprising

...

calculating a difference between an actual residual value and a projected residual value of the item; and

determining a term for an insurance policy, the insurance policy having an insurance premium at most equal to the difference; and

if the customer purchases or re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy.

In the pending rejection, the Examiner acknowledges that "Joao and Bell do not explicitly disclose calculating a difference between an actual residual value and a projected residual value of the item; and if the customer re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy" (pp. 13-14, Office Action). The Examiner then asserts, "these features are known in the art as evidenced by Ryan" and relies on Ryan, Col. 6, lines 5-67 as allegedly remedying the deficiencies of Joao and Bell (p. 14, ¶ 2, Office Action). More specifically, the Examiner states, "It would have been obvious...to have included the features of Ryan with the motivation of providing a system performing three processes which ideally occur simultaneously, 1.) optimal premium determination, 2.) current cash value monitoring, and 3) periodic reporting" (p. 14, ¶ 3, Office Action). Applicants submit that even assuming Ryan discusses optimizing a premium, monitoring a current cash value and periodic reporting, the pending claims are still patentably distinct from Ryan, taken alone or in combination with Joao and/or Bell.

Applicants submit that Ryan does not remedy the deficiencies identified in Joao and Bell. Applicants submit Ryan is directed to facilitating financial interactions for optimizing a life insurance premium. More specifically, Ryan's system "links an insurance carrier with an independent lending institution to determine the optimal premium structure for a contemplated variable life insurance product using a portion of the policy owner's money and a lending institution loan to finance the premium" (Ryan,



Abstract). Moreover, Ryan, in Col. 6, lines 5-15, defines a set of rules for optimizing the life insurance premium. Applicants submit that the Ryan's rules do not teach or suggest, "calculating a difference between an actual residual value and a projected residual value of the item..." as asserted by the Examiner and recited in independent claim 2. Instead, Ryan's system determines:

whether the projected before-tax cash value for the expected year of retirement is sufficient to meet the desired retirement cash total after the payment of taxes and the repayment of the loan, in addition to determining if the calculated face amounts are equal to or greater than the targeted face amounts during employment." (See, Ryan, Col. 6, lines 11-17) (emphasis added).

As such, having merely discussed a "projected before-tax value" and a "desired retirement cash total after ... taxes", Ryan's premium optimization does not discuss or render obvious the claimed "calculating a difference between an actual residual value and a projected residual value of the item" as recited in independent claim 2.

Furthermore, Applicants submit that none of Ryan's optimization calculations; monitoring an actual cash value; or reporting procedures teach, disclose or suggest, "if the customer purchases or re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy." As such, Applicants submit that independent claim 2 and claims 22-35 dependent therefrom are not discussed or rendered obvious in light of Ryan, Joao, or Bell, taken alone or in combination.

**III. Claims 19-21, 36-56, 58-77, 79 and 80**

Although of different scopes from independent claims 1 and 2, Applicants further submit that independent claims 19, 20, 21, 36, 37, 38, 39 (and claims 40-53 dependent therefrom), 54, 55, 56, 58 (and claims 59-64 dependent therefrom), 65, 66, 67, 68, 69 (and claims 70-73 dependent therefrom), 74, 75, 76, 77, 79 and 80, are not rendered obvious in light of Joao or Joseph, taken alone or in combination for at least similar reasons to those discussed above identifying deficiencies in the cited references.

Accordingly, Applicants respectfully request reconsideration and withdrawal of these grounds of rejections.

**AUTHORIZATION**

The Commissioner is hereby authorized and requested to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17246-003. In the event that an additional extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17246-003.

Respectfully Submitted,

CHADBOURNE & PARKE, L.L.P.

BY: /Daniel C. Sheridan/

Daniel C. Sheridan  
Registration No. 53,585

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Address:  
Chadbourne & Parke, L.L.P.  
30 Rockefeller Plaza  
New York, NY 10112  
212-408-5100 Telephone  
212-541-5369 Facsimile